Cloetta

Q3/2024

25 October 2024

Continued organic growth and strengthened profit

Agenda

1. Cloetta in brief and quarterly update
2. Financials
3. Update on strategic priorities
4. Q&A

Leading confectionery company in Northern Europe

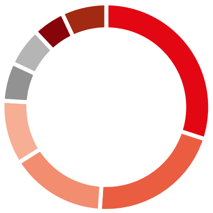
Net sales 2023 (SEKbn)
8.3

Employees (on average)
2,600

Countries with sales
> 60

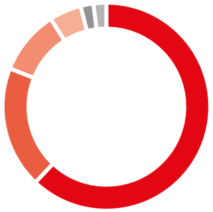
Number of shareholders
> 40,000

Net sales by country, 2023



30%	Sweden
21%	Finland
15%	The Netherlands
10%	Denmark
6%	Norway
6%	Germany
5%	The UK
7%	International Markets

Net sales by category, 2023



62%	Candy
19%	Chocolate
10%	Pastilles
5%	Chewing gum
2%	Nuts
2%	Other

Business segments*

74%
Branded packaged products
- Candy
- Chocolate
- Pastilles
- Chewing gum

26%
Pick & mix
- Pick & mix candy, chocolate and nuts

* FY203 - *Branded packaged products* includes full year of divested Nutisal brand

Our 10 largest brands of total net sales

>50%

Q3: Continued organic growth and strengthened profit

1 Further stabilised food price inflation

2 Total volumes were stable, with P&M growing faster than Branded packaged products

3 Rolling 12-month adjusted operating profit highest ever

4 Profitability increase mainly driven by continued margin-enhancing activities in P&M

5 Historically high cocoa price this year did not yet significantly impact result

6 Net debt/EBITDA at 1.6x, again well below long-term target

Q3 Net sales

SEK **2.2** bn

+5.7% Organic growth

Q3 Organic sales growth, %

+1.4% Branded

+18.6% Pick & mix

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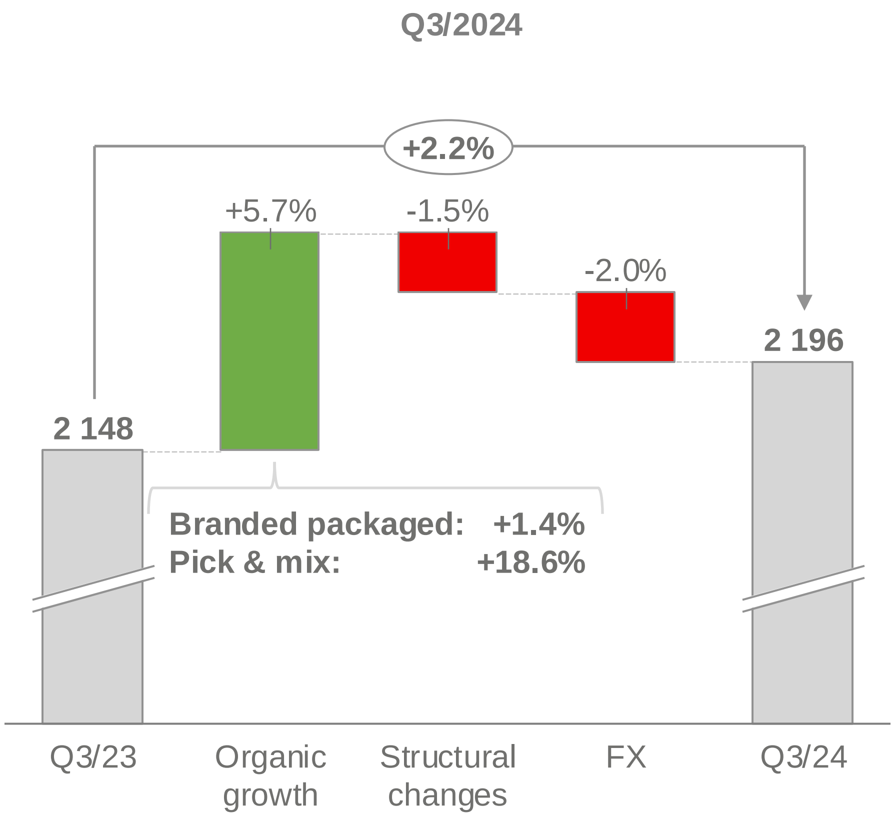
2 **Financials**

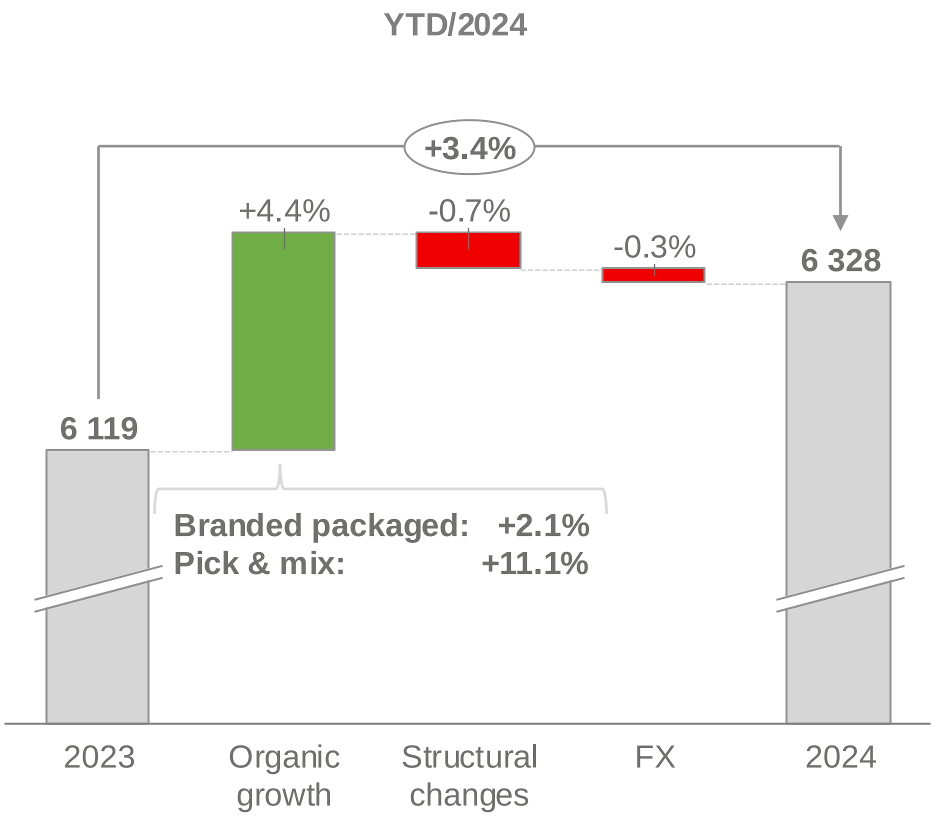
3 Update on strategic priorities

4 Q&A

Continued sales growth in Q3

Net sales

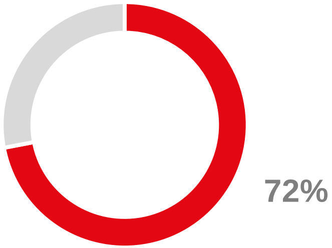




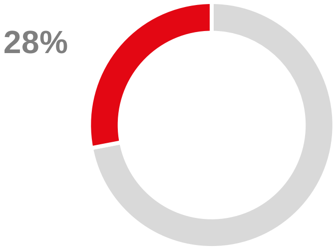
Sales development

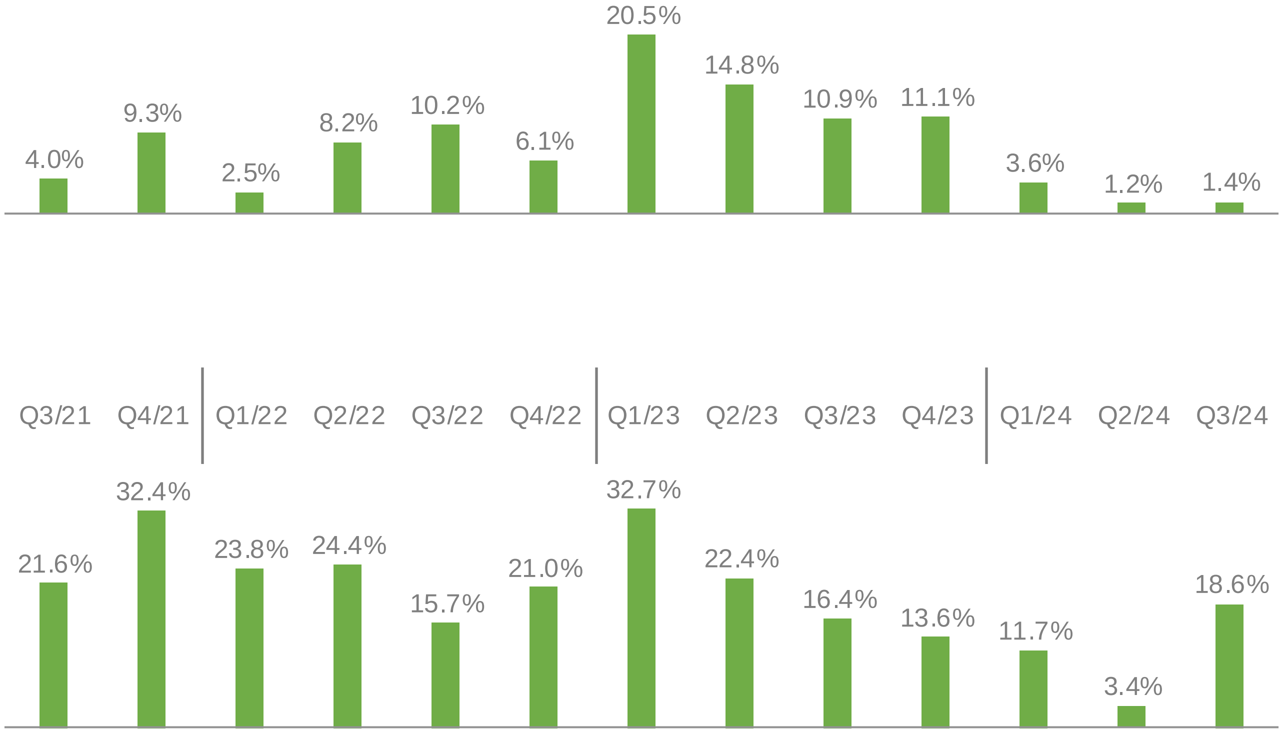
Q3 share of net sales and organic sales growth by quarter

Branded packaged products



Pick & mix

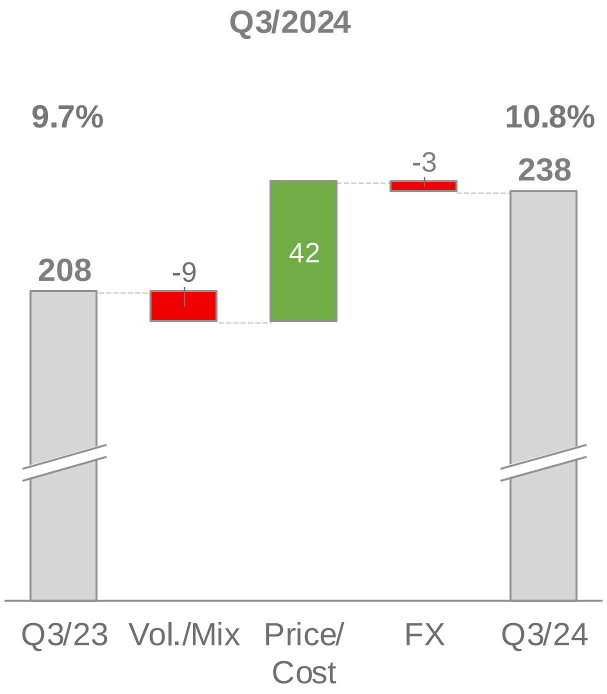


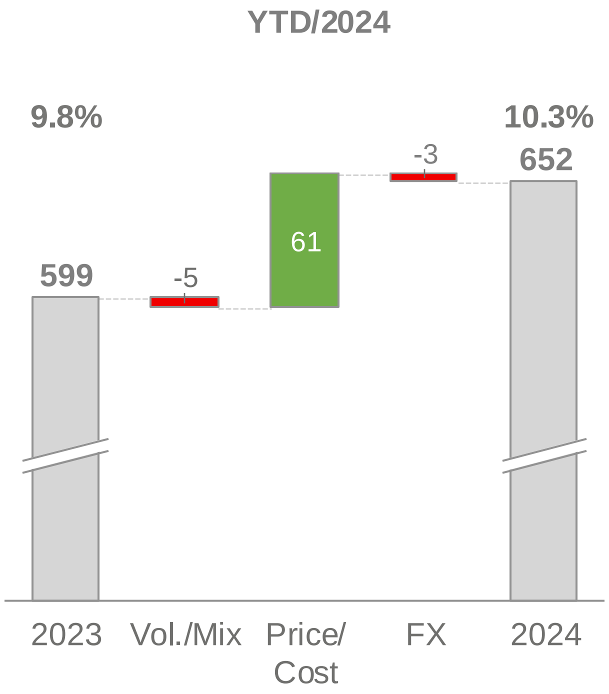


Margin-enhancements in P&M lift profit

Operating profit, adjusted

- **Margin-enhancing initiatives in P&M** and absence of LY one-time Wilko cost drive profit improvement
- **Stable gross profit in branded packaged** segment
- **Full effect of high cocoa cost only in Q4**
- **Investment in core brands increased** vs LY in line with communicated
- **Resolution of Q1 quality incident pending**





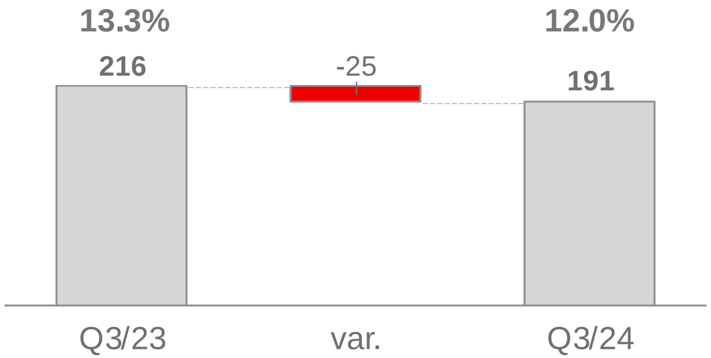
Strong improvement in P&M; Branded profit stable

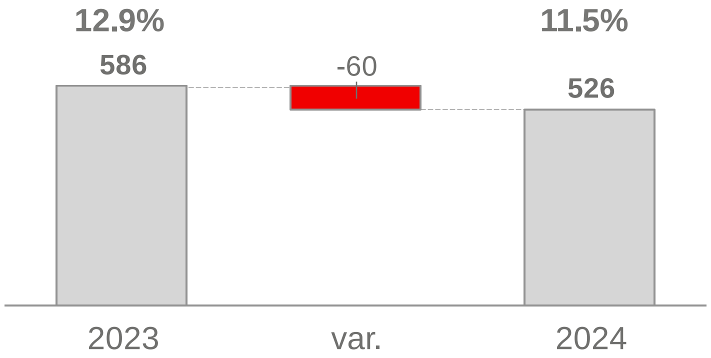
Operating profit, adjusted, by segment

Q3/2024

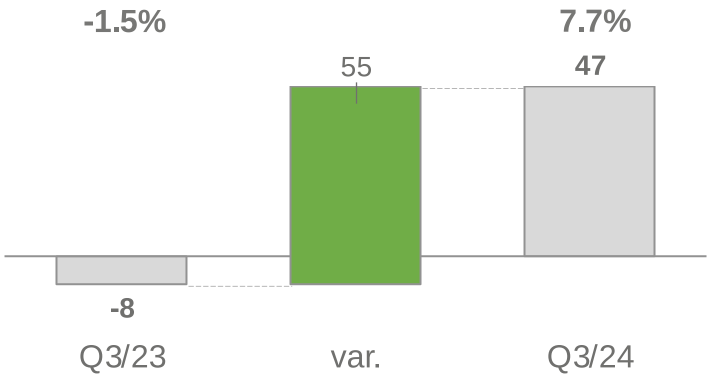
YTD/2024

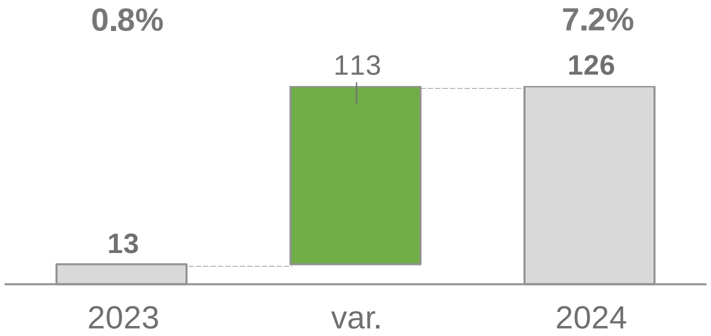
Branded packaged





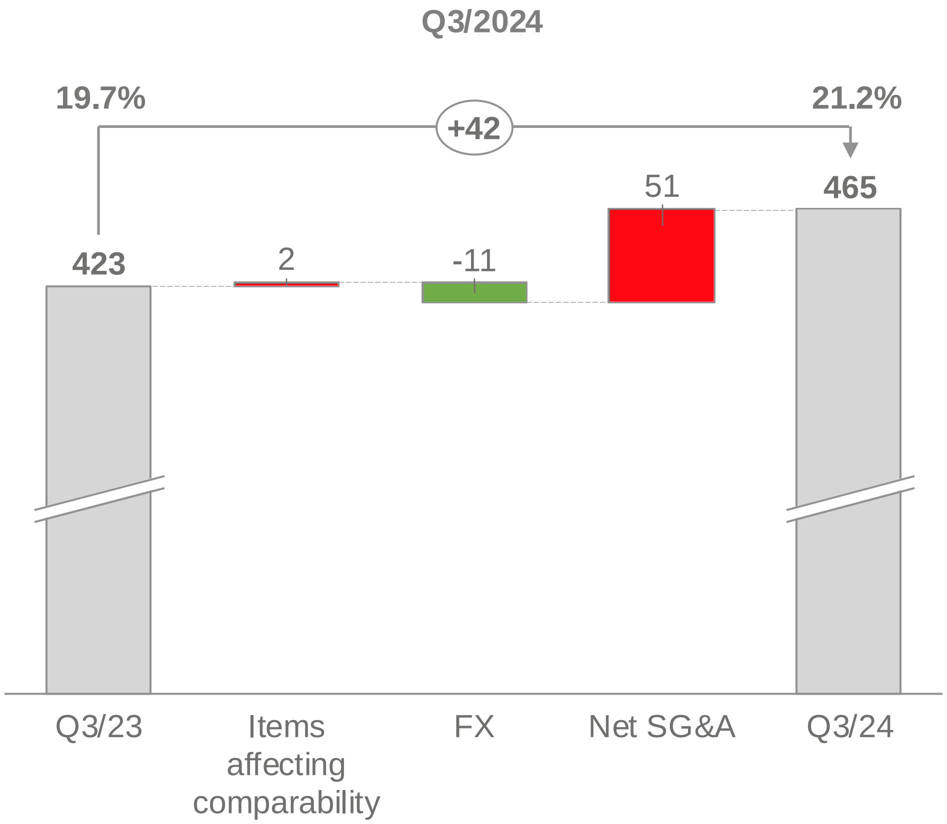
Pick & mix

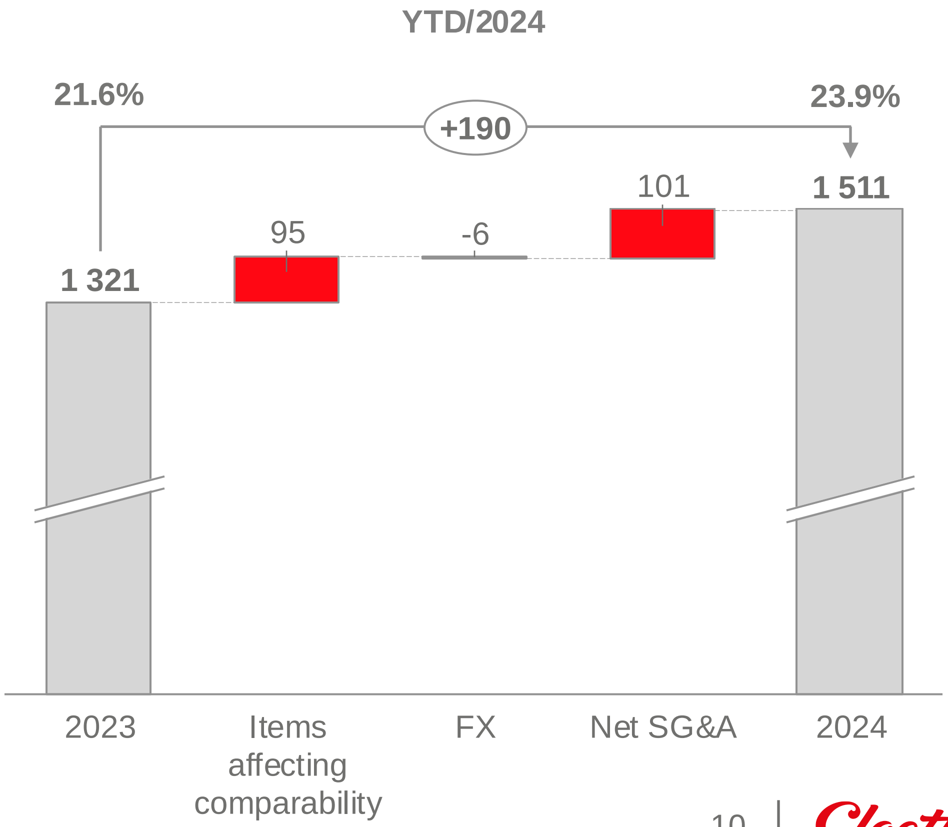




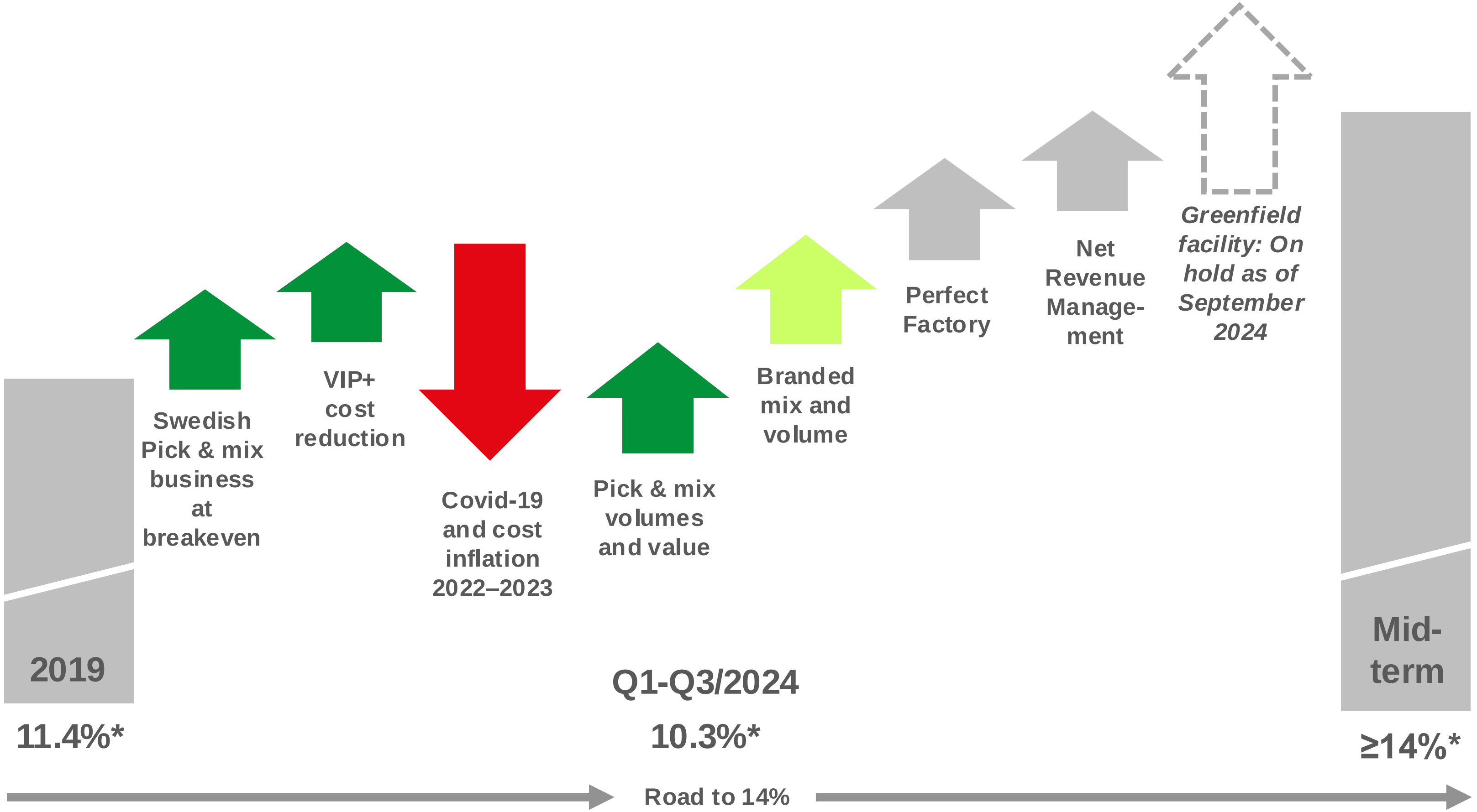
Increased investments in core brands key driver vs LY

SG&A





Strategic building blocks to deliver margin expansion



*) Operating profit margin, adjusted.

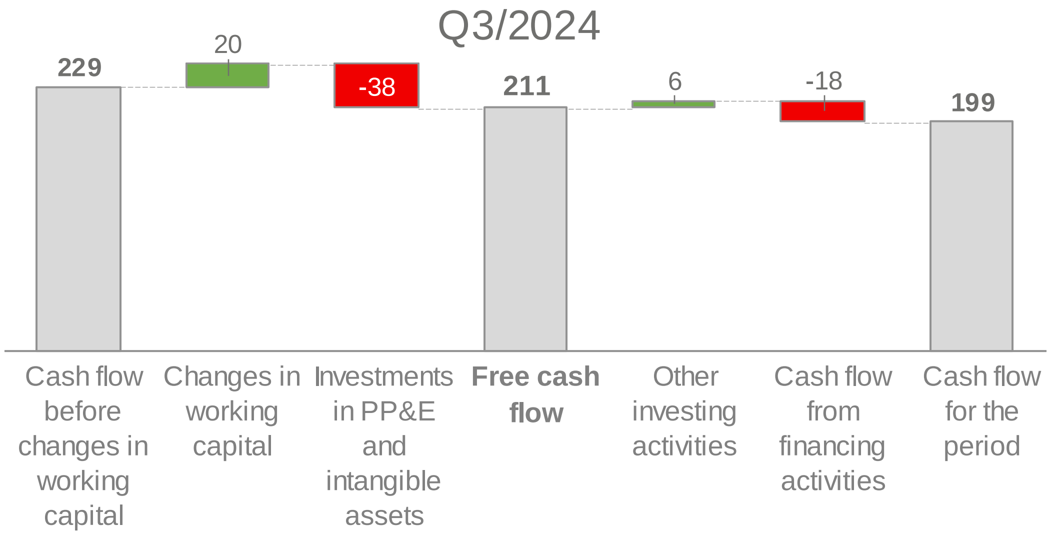
Free cash flow further improved: YTD SEK +236m vs LY

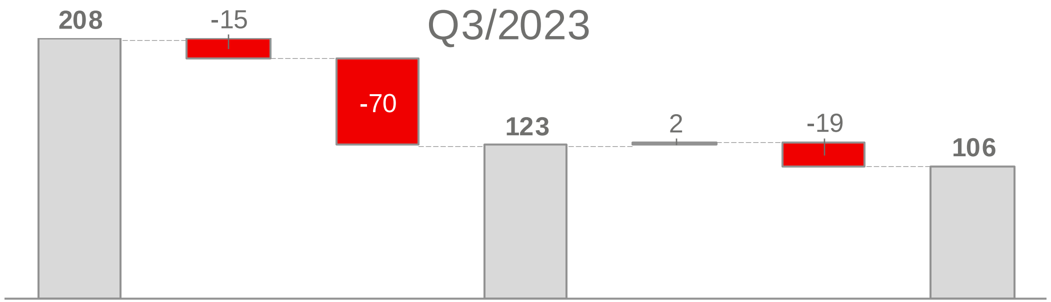
Cash flow

- **Improved Q3 Free cash flow vs LY** driven by improved working capital and lower capex investment

- **Improved working capital** from inventories and payables partly offset by higher receivables

- **Lower capex investment** driven in part by phasing and in part by avoidance

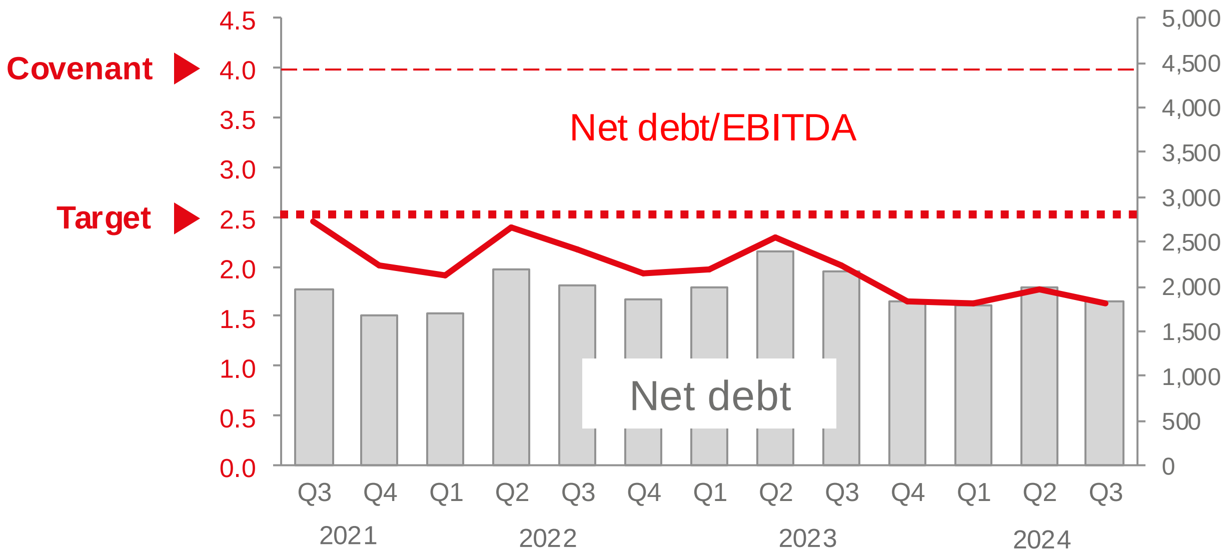


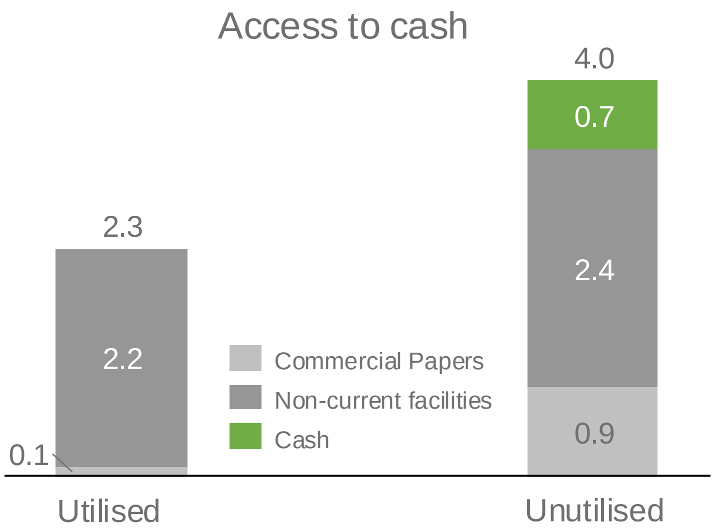


Strong financial position: Net debt/EBITDA 1.6x

Financial position

- Net debt/EBITDA successive improvement again at an all-time low, and well below target of 2.5x
- Net debt SEK 1.8bn driven by cash generation
- Unutilised access to cash of SEK 4.0bn, including EUR 160 million for greenfield investment





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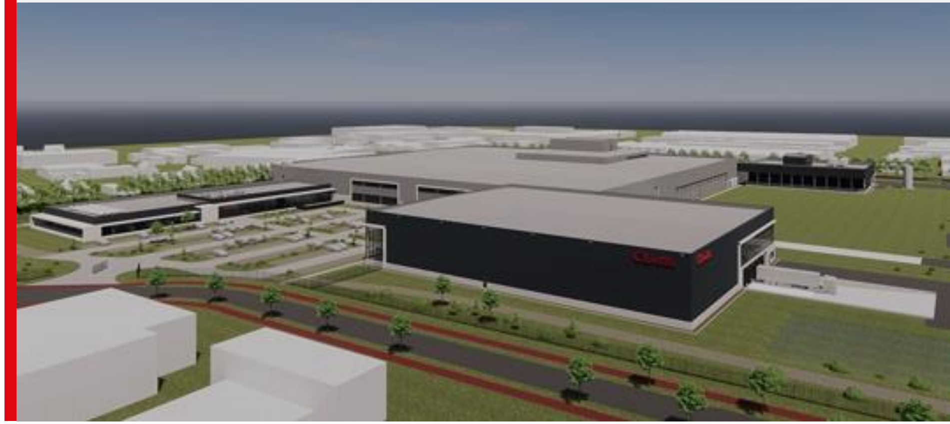
Update on greenfield plant project

Investment on hold and reassessment initiated

- Reassessment initiated due to increased risk relating to energy supply with resulting changes to the timing of planned start-up
- Reassessment also covers potential better alternatives to secure a more efficient manufacturing structure to support long-term profitable organic growth and environmental footprint
- Project still in early phase, investments so far relatively limited and further investments on hold beyond what is necessary to support the reassessment
- Remaining opportunities in manufacturing network to compensate for volumes planned to be produced by the greenfield in the mid-term

Background

- In 2022, the plan to invest in a greenfield facility and a related closure of three existing plants was announced
- In Q3 2024, decision made to initiate a reassessment of both the investment and alternative options to secure a more efficient manufacturing structure



Further results from optimising product portfolio

Update on SKU reduction

Reduction of SKU's close to

30%

(since 2021 baseline)

Annual target for 2024 already exceeded

Key areas to drive SKU reduction

Branded packaged goods

- ABCD classification and regular delisting of D SKU's
- Recipe and raw materials harmonisation
- Semi-finished products harmonisation in mixed bags

Pick & mix

- Harmonisation in product recipes
- Harmonisation in packaging formats
- Increasing number of multi-market listings

Growing our brands through new occasions

Our strategy is strongly influenced by the **focus** to constantly **recruit new consumers** and **grow** the **consumer base** of our **brands**

Skippers Pipes enters candy bags

FROM
- Countlines, single personal use
- 7% of Danes buy countlines

TO
- Mini's in bags, shared occasion
- 77% of Danes buy candy bags

Brand consideration*
+29%

Volume growth
+26%
Total Skippers Pipes

Stretching a chocolate brand into the ice cream category

- Reaching new consumers in Finland
- Premium lactose free ice cream tubs
- Licensing of chocolate brand

* Q3/24 compared to Q3/23

Q & A

Thank you!

UPCOMING IR EVENTS

14 Nov	Plant visit to Ljungsbro, Sweden (arranged by Danske Bank)
29 Jan	Year-end report 2024
11 Mar	Annual and sustainability report 2024
10 Apr	AGM 2025

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Appendix

Greenfield facility – Pro forma profit and loss Q3

	Q3/2024 Reported	Greenfield	Q3/2024 Pro-forma excl. greenfield	Other items affecting comparability	Q3/2024 Adjusted
Net sales	2.196	-	2.196	-	2.196
Cost of goods sold	-1.493	6	-1.499	-	-1.499
Gross profit	**703**	**6**	**697**	**-**	**697**
Selling expenses	-268	-	-268	-	-268
General and administrative expenses	-197	-6	-191	-	-191
Operating profit	**238**	**-**	**238**	**-**	**238**
Net financial items	-72	-	-72	-	-72
Profit before tax	**166**	**-**	**166**	**-**	**166**
Income tax	-36	-	-36	-	-36
Profit for the period	**130**	**-**	**130**	**-**	**130**
Gross margin	*32,0%*		*31,7%*		*31,7%*
Operating profit margin	*10,8%*		*10,8%*		*10,8%*
Effective tax rate	*21,7%*		*21,7%*		*21,7%*

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